

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: Sourcewater, Inc. <i>dba</i> Sourcenergy, Debtor.	§ § § § §	Case No. 23-30960 (jpn) Chapter 11 Subchapter V
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**NOTICE OF FILING STATEMENT OF CASH FLOWS, PROFIT AND LOSS
STATEMENT, AND BALANCE SHEET FOR THE PERIOD
JANUARY 1, 2023 – MARCH 17, 2023**

PLEASE TAKE NOTICE of the attached Debtor's:

1. Statement of Cash Flows;
2. Profit and Loss Statement; and
3. Balance Sheet.

Each of these financial documents are for the period January 1, 2023 – March 17, 2023.

Dated: April 18, 2023

Respectfully submitted,

**CHAMBERLAIN, HRDLICKA, WHITE,
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By: /s/ Jarrod B. Martin
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Proposed Counsel for Debtor

Sourcenergy, Inc.
Profit and Loss
January - December, 2023

	Jan-23	Feb-23	Mar 1-17, 23	Total
Income				
Sales				
Data Base Subscriptions	59,031.88	51,099.59	52,274.56	162,406.03
Late Fees + CC Fees				0.00
Services		1,675.89	1,692.87	3,368.76
Total Sales	\$ 59,031.88	\$ 52,775.48	\$ 53,967.43	\$ 165,774.79
Total Income	\$ 59,031.88	\$ 52,775.48	\$ 53,967.43	\$ 165,774.79
Cost of Goods Sold				
Data Costs	5,550.00	7,000.00	8,000.00	20,550.00
Website Hosting & Support	16,272.05			16,272.05
Total Cost of Goods Sold	\$ 21,822.05	\$ 7,000.00	\$ 8,000.00	\$ 36,822.05
Gross Profit	\$ 37,209.83	\$ 45,775.48	\$ 45,967.43	\$ 128,952.74
Expenses				
Advertising - Digital	30.05	1,607.51		1,637.56
Advertising - Marketing	2,735.42	52.23	27.23	2,814.88
Bank Charges	26.56	50.00	50.51	127.07
Conference Fees		480.00	1,820.06	2,300.06
Industry Events/Materials		450.00		450.00
Insurance	1,205.49	1,205.49	910.26	3,321.24
Interest Expense	699.13	630.50	613.90	1,943.53
Meals and Entertainment				0.00
Travel Meals				0.00
Total Meals and Entertainment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Memberships				0.00
Merchant Processing Fees	51.00	52.00	32.00	135.00
Office Expenses				0.00
Office Rent	30.00	30.00	30.00	90.00
Online Software & Subscriptions	2,578.09	2,629.79	819.68	6,027.56
Payroll				
Commissions	1,984.64	4,279.82	0.00	6,264.46
Employer Taxes	3,613.73	1,354.57	537.79	5,506.09
Health Care	5,928.40	4,816.78	462.21	11,207.39
Health Care - Employee Deductible	-1,969.56	-2,201.86	-140.78	-4,312.20
Processing Fees	242.11	103.00	221.33	566.44
Severance Pay		14,318.26		14,318.26
Wages	44,761.52	30,641.59	3,745.02	79,148.13
Total Payroll	\$ 54,560.84	\$ 53,312.16	\$ 4,825.57	\$ 112,698.57
Product Consulting				0.00
Professional Fees				
General				0.00
Legal & Accounting	2,391.00	12,799.38	55,575.00	70,765.38
Marketing Consulting				0.00
Patent Work	5,553.00	2,370.00	2,865.00	10,788.00
Product Development	4,350.00	3,629.00		7,979.00
Total Professional Fees	\$ 12,294.00	\$ 18,798.38	\$ 58,440.00	\$ 89,532.38
Research & Development		28.00	28.00	56.00
Shipping & Postage				0.00
Taxes & Licenses				0.00
Travel				0.00
Utilities	-144.89	158.00	166.14	179.25
Total Expenses	\$ 74,065.69	\$ 79,484.06	\$ 67,763.35	\$ 221,313.10
Net Operating Income	-\$ 36,855.86	-\$ 33,708.58	-\$ 21,795.92	-\$ 92,360.36
Other Income				
Other Income				0.00
Total Other Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other Expenses				
Interest Expense-Convertible Notes	8,138.33	8,138.33		16,276.66
Energy Debt Holdings LLC - Interest Paid				0.00
Loss on Fixed Asset Disposal				0.00
Total Other Expenses	\$ 8,138.33	\$ 8,138.33	\$ 0.00	\$ 16,276.66
Net Other Income	-\$ 8,138.33	-\$ 8,138.33	\$ 0.00	\$ 16,276.66
Net Income	-\$ 44,994.19	-\$ 41,846.91	-\$ 21,795.92	\$ 108,637.02
EBITDA	-36,156.73	-33,078.08	-21,182.02	-90,416.83

Sourcenergy, Inc.
Balance Sheet
As of March 17, 2023

	Jan-23	Feb-23	March 17, 2023
ASSETS			
Current Assets			
Bank Accounts			
Cash Clearing	0.00	0.00	0.00
Checking - Amegy 6048	-5,647.98	-4,953.08	-6,822.41
Checking - BB&T 9075	456.02	456.02	456.02
Checking - TD Bank 5650	1,510.00	1,510.00	1,510.00
Savings - Amegy Sweep 8818	-254.88	-254.88	-254.88
Total Bank Accounts	-\$ 3,936.84	-\$ 3,241.94	-\$ 5,111.27
Accounts Receivable			
Accounts Receivable	204,573.79	198,421.08	202,655.23
Total Accounts Receivable	\$ 204,573.79	\$ 198,421.08	\$ 202,655.23
Other Current Assets			
Due from Wellsite Navigator	0.00	0.00	0.00
Prepaid Expenses	14,050.19	13,595.36	13,595.36
Undeposited Funds	0.00	0.00	0.00
Total Other Current Assets	\$ 14,050.19	\$ 13,595.36	\$ 13,595.36
Total Current Assets	\$ 214,687.14	\$ 208,774.50	\$ 211,139.32
Fixed Assets			
Computers & Peripherals	0.00	0.00	0.00
Fixed Asset Office Equipment	0.00	0.00	0.00
Intangible Assets	7,578.16	7,578.16	7,578.16
Leasehold Improvements	0.00	0.00	0.00
x Accumulated Depreciation	0.00	0.00	0.00
Total Fixed Assets	\$ 7,578.16	\$ 7,578.16	\$ 7,578.16
Other Assets			
Security Deposits	0.00	0.00	0.00
Total Other Assets	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL ASSETS	\$ 222,265.30	\$ 216,352.66	\$ 218,717.48
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	223,168.05	228,348.43	241,152.43
Total Accounts Payable	\$ 223,168.05	\$ 228,348.43	\$ 241,152.43
Credit Cards			
CC - Amegy 9040 Control	49,900.21	53,171.25	53,252.92
CC - Amegy 1358 D Wallin	0.00	0.00	0.00
CC - Amegy 2687 S Brown	0.00	0.00	0.00
CC - Amegy 9057 J Adler	0.00	0.00	0.00
CC - Amegy 9081 D Moorefield	0.00	0.00	0.00
CC - Amegy 9099 J Halpern	0.00	0.00	0.00
Total CC - Amegy 9040 Control	\$ 49,900.21	\$ 53,171.25	\$ 53,252.92
CC - Amegy 9040 Control CC - Amegy 0293 L McDougald	0.00	0.00	0.00
Total Credit Cards	\$ 49,900.21	\$ 53,171.25	\$ 53,252.92
Other Current Liabilities			
Accrued Payroll Liability	83,087.50	91,934.66	96,358.24
Customer Deposits	0.00	0.00	0.00
Energy Debt Holdings LLC - Loan Payable	529,152.61	529,152.61	529,152.61
Payroll Clearing	779.38	276.56	108.55
Sales Tax Payable	11,463.72	10,907.99	10,907.99
Unearned Revenue	297,243.92	251,325.83	199,051.27
Total Other Current Liabilities	\$ 921,727.13	\$ 883,597.65	\$ 835,578.66
Total Current Liabilities	\$ 1,194,795.39	\$ 1,165,117.33	\$ 1,129,984.01
Long-Term Liabilities			
Convertible Note Payable-Investors	400,749.66	400,749.66	400,749.66
Interest Accrued - Convertible Notes Investors	134,869.90	139,708.23	139,708.23
Interest Accrued - Notes Payable Officer	69,050.00	72,350.00	72,350.00
Note Payable-Officer	1,029,014.05	1,089,014.05	1,149,014.05
Notes Payable - EIDL Loan	494,848.00	492,322.00	489,796.00
Notes Payable - PPP Loan	0.00	0.00	0.00
Total Long-Term Liabilities	\$ 2,128,531.61	\$ 2,194,143.94	\$ 2,251,617.94
Total Liabilities	\$ 3,323,327.00	\$ 3,359,261.27	\$ 3,381,601.95
Equity			
APIC - Series A	7,682,645.91	7,682,645.91	7,682,645.91
Series A Legal Fees	-120,638.62	-120,638.62	-120,638.62
Total APIC - Series A	\$ 7,562,007.29	\$ 7,562,007.29	\$ 7,562,007.29
Common Stock	4,000.00	4,000.00	4,000.00
Retained Earnings	-10,622,074.80	-10,622,074.80	-10,622,074.80
Net Income	-44,994.19	-86,841.10	-106,816.96
Total Equity	-\$ 3,101,061.70	-\$ 3,142,908.61	-\$ 3,162,884.47
TOTAL LIABILITIES AND EQUITY	\$ 222,265.30	\$ 216,352.66	\$ 218,717.48

Sourcenergy, Inc.
Statement of Cash Flows
January 1 - March 17, 2023

	Jan 2023	Feb 2023	Mar 1-17, 2023	Total
OPERATING ACTIVITIES				
Net Income	-44,994.19	-41,846.91	-19,975.86	-106,816.96
Adjustments to reconcile Net Income to Net Cash provided by operations:				0.00
Accounts Receivable	71,465.22	6,152.71	-4,234.15	73,383.78
Prepaid Expenses	454.83	454.83		909.66
Accounts Payable	-11,921.25	5,180.38	12,804.00	6,063.13
CC - Amegy 9040 Control	-4,534.72	3,271.04	81.67	-1,182.01
CC - Amegy 9040 Control:CC - Amegy 9057 J Adler	605.24			605.24
CC - Amegy 9040 Control CC - Amegy 0293 L McDougald	88.33			88.33
Accrued Payroll Liability	8,847.16	8,847.16	4,423.58	22,117.90
Payroll Clearing	-112.50	-502.82	-168.01	-783.33
Sales Tax Payable	-900.55	-555.73		-1,456.28
Unearned Revenue	-49,231.88	-45,918.09	-52,274.56	-147,424.53
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$ 14,759.88	\$ 23,070.52	\$ 39,367.47	\$ 47,678.11
Net cash provided by operating activities	-\$ 30,234.31	-\$ 64,917.43	-\$ 59,343.33	-\$ 154,495.07
FINANCING ACTIVITIES				
Interest Accrued - Convertible Notes Investors	4,838.33	4,838.33		9,676.66
Interest Accrued - Notes Payable Officer	3,300.00	3,300.00		6,600.00
Note Payable-Officer	30,000.00	60,000.00	60,000.00	150,000.00
Notes Payable - EIDL Loan	-2,526.00	-2,526.00	-2,526.00	-7,578.00
Net cash provided by financing activities	\$ 35,612.33	\$ 65,612.33	\$ 57,474.00	\$ 158,698.66
Net cash increase for period	\$ 5,378.02	\$ 694.90	-\$ 1,869.33	\$ 4,203.59